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DEPARTMENT OF STATE REVENUE

LETTER OF FINDINGS NUMBER: 00-0035

**Individual Income Tax
Calendar Year 1998**

NOTICE: Under IC 4-22-7-7, this document is required to be published in the Indiana Register and is effective on its date of publication. It shall remain in effect until the date it is superseded or deleted by the publication of a new document in the Indiana Register. The publication of this document will provide the general public with information about the Department's official position concerning a specific issue.

ISSUE(S)

1. Tax Administration – Penalty

Authority: IC 6-8.1-10.2.1

Taxpayer protests the penalty assessment.

STATEMENT OF FACTS

Taxpayer, in a letter received by the Department on November 29, 1999 protests the assessments on liability numbers 98-0162087 and 98-0204287.

- I. **Tax Administration** - Penalty

DISCUSSION

Taxpayer's protest is not clear to the issue or liabilities being protested. The department will incorporate both liability numbers in its discussion. Taxpayer was advised in a letter dated January 18, 2000 regarding the filing of Indiana Tax Returns. Taxpayer was advised that if he maintained a legal residence in Indiana from January 1 through December 31, he is a full-year Indiana resident. Taxpayer filed a full year resident tax return (IT-40) and claimed credit for taxes withheld for states or localities outside Indiana. Taxpayer was advised to file a claim for refund with those states. Taxpayer was also advised that as a resident of Indiana, he must pay quarterly estimated income taxes as required. IC 6-3-4-4 Declarations of Estimated Tax is clear in (a) and (b) that refers back to the Internal Revenue

Code. In the case of an underpayment of the estimated tax as provided in Section 6654 of the Internal Revenue Code, there shall be added to the tax a penalty in an amount prescribed by IC 6-8.1-10-2(b). The second penalty assessed the taxpayer was for paying the tax late; i.e. April 20, 1999.

Taxpayer was scheduled for a hearing on Tuesday, April 4, 2000 at 9:00 a.m. Eastern Standard Time in the Indiana Government Center North in which to provide additional arguments regarding the assessments. No one appeared at the hearing. The determination has been made based upon information contained in the file.

FINDING

Taxpayer's protest is denied.